THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) Indian Oil Corporation Limited (IOC) carry out the Annual Plan and Five Year Plan exercises in consultation with the Planning Commission for Project Planning & Facilities Planning. Further, as a Navaratna company, they regularly review their business plans. IOC recorded a turnover of Rs. 1,50,667 crore (around US $ 34.44 billion) during 2004-05. IOC have drawn up plans to become a S $ 60 billion company by 2011-12. The plan includes capability building in its core business as well as petrochemicals, gas, E&P, downstream marketing activities overseas, etc. It is envisaged that the revenue from core business would be around 80% and balance from other business by 2011-12.

Restructuring of Excise Duties on Petroleum Products

183. SHRI DATTA MEGHE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Parliamentary Standing Committee on Petroleum and Natural Gas has called upon the Government to restructure the excise duties on the petroleum products to neutralize the impact of the soaring international crude prices on the oil market companies;

(b) if so, the details thereof;

(c) whether his Ministry has taken up the matter seriously with the Ministry of Finance; and

(d) if so, the reaction of the Ministry of Finance thereto?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir. The Parliamentary Standing Committee on Petroleum and Natural Gas has recommended restructuring of taxes/duties on petroleum products keeping the interests of the consumer in mind. It has *interalia* been recommended that excise duties on petroleum products should be so structured that the Budget Statement of revenue neutrality may be adhered to in letter and spirit. It has also been recommended that the Government may exercise restraint and apply the policy of prudence in taking revenues from a strategic factor like hydrocarbon, so that no extra burden is imposed on oil companies and consumers.

(c) and (d) The recommendations of the Standing Committee were examined in detail in consultation with the Ministry of Finance (MoF) and other authorities concerned. Thereafter, the Cabinet decided on 20 June 2005 to revise the retail prices of petrol and diesel by Rs. 2.50/litre and Rs. 2/litre respectively and to maintain without revision the retail prices of domestic LPG and PDS kerosene. The revision in prices by the Cabinet and the changes by the Ministry of Finance (MoF) in customs and excise duties, including structural changes, on crude oil and petrolem products have been effected on the principle of equitable burden sharing and striking a proper balance among the iterests of all stakeholders, including consumers and the Government.

Krishnamurthy Committee Report

184. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Krishnamurthy Committee on Synergy in Energy has submitted its report to Government;

(b) if so, the details thereof; and

(c) the details of recommendations given by the Committee for merger of public sector oil companies in the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) and (c) The Committee have recommended policy and structural changes and also suggested certain management solutions for improved performance of the oil companies in the public sector. Some of the major recommendations are:

1. Merger of Oil Public Sector Undertakings (PSUs) may not be advisable for the present.
2. On policy issues there is need for an integrated energy policy setting up of Cabinet Committee on Energy headed by the Prime Minister and setting up of an Energy Ministry. The Committee has also recommended revamping of the existing framework of supervision and overview by various surveillance agencies like Central Vigilance Commission by setting up of pre-investigation